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NPIC/TSG/RED/SDB-028-70
27 July 1970

MEMORANDUM FOR THE RECORD

SUBJECT: [redacted] Letter to Senator Harry F. Byrd, Jr., dated 10 July 1970, with Respect to the Production Procurement of 1540 Light Tables

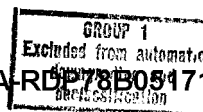
1. At the start of these contracts, both competitors were advised that the ground rules for the T&E period were that no fixes to equipment were to occur unless the breakdown stopped further evaluation. This was strictly adhered to with respect to both [redacted]

2. I met with [redacted] in the cafeteria (in May?). [redacted] complained that [redacted] had been allowed complete freedom to make repairs on their equipment, whereas [redacted] was allowed to make only a certain few major repairs. [redacted] was told that this was not true; that T&E had, in every case, contacted me, and I, in turn, had contacted the competitors to make the repairs necessary to continue evaluation and that both competitors were afforded exactly the same treatment.

3. During the last week in May and the first week in June, [redacted] was repeatedly urged to get their final fixes completed (mainly the film drive) and demonstrated because time was becoming an important factor. Specifically, an inspection was made at [redacted] on 25 May, at which time film tracking and film movement after rolling was evidenced as problems. Corrections were to be demonstrated on the successive dates of 28 May, 1 June, 3 June, and 4 June. [redacted] failed on each of these dates, either by being forced to postpone a meeting until a later date, or because of an unsatisfactory demonstration on 4 June.

4. On 7 June, I was scheduled to go to [redacted] to attend the contract negotiations with [redacted]. At this point in time, all potential buyers had committed themselves to [redacted] except for DIAAP-9. On 5 June arrangements were made with [redacted] to demonstrate their corrections to [redacted] of DIAAP-9 on 8 June. It is my understanding that [redacted]

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25X1 SUBJECT: [] Letter to Senator Harry F. Byrd, Jr., dated 10 July 1970, with Respect to the Production Procurement of 1540 Light Tables

25X1 again failed on both 8 June and 9 June. DIAAP-9 now committed themselves to the [] table.

25X1 5. On 9 July I met with [] to review their corrections. [] by this time knew they were unsuccessful and in the interim had been working on their corrections. The demonstration at this time was successful, and the table was delivered to NPIC on 10 July. 25X1

25X1 6. At the end of the meeting of 9 July, [] began talking about several things he felt were problems with respect to the progress and procedures of the contract. Specifically, he complained of an apparent information leak. He felt that the competition knew [] pricing, whereas he did not know [] pricing. He still felt there was an open door for [] to make fixes but [] was not allowed the same privilege. Comments were made by [] personnel at Hill APB before any such information should have been known-- comments such as "Boy, we've got it all." He wanted a meeting with the operational people to find out exactly how [] had failed. He wanted to see a copy of the production technical requirements for review. 25X1

25X1 7. My comments on 9 July to [] were that in view of the recognized sensitivity of the effort and as far as I personally was concerned, every effort had been made to prevent any leaks of information, and that each competitor received exactly the same treatment. Pricing received [] (came in first) was actually hidden until both competitors submitted and pricing information could properly be released. It was reiterated that [] had received exactly the same treatment with respect to fixes as had their competitor. I stated that it seemed to me that he was entitled to a meeting with the operational people and that a copy of the production technical requirements could be provided. 25X1

25X1 8. [] answered that he had no criticism of the performance of the technical monitor or the contracting officer. The leak seemed to be somewhere else. Ugly rumors were circulating, several points were unanswered in his mind, and he felt he was entitled to an explanation.

SECRET

SUBJECT: [redacted] Letter to Senator Harry F. Byrd, Jr., dated 10 July 1970, with Respect to the Production Procurement of 1540 Light Tables

9. I therefore advised [redacted] that since he felt this way he should contact [redacted] and advise him of these matters. I further told [redacted] that I would forewarn Mr. [redacted] as to the call, and that I would advise the operating people, T&E, and others as to his feelings.

10. On 9 & 10 July, I talked to [redacted] (Branch Chief), [redacted] IEG, [redacted] DIAAP-9, and [redacted] ESD, and advised them of the situation. I asked the operating people and T&E if they would be willing to meet with [redacted]. They all answered that they would be willing to meet but all felt that they had nothing to say that had not already been voiced to [redacted] during a previous meeting.

11. I went on annual leave 13 July-leave was meant to continue until 24 July. I became aware of the Senator Byrd letter on the evening of 23 July.

12. The following are some comments on specifics in the [redacted] letter to Senator Byrd.

a. "During the evaluation of the tables, [redacted] was) given no information regarding the competitive performance of the two tables." True-and neither was [redacted]

b. "[redacted] understands) that [redacted] personnel were frequently called in to resolve difficulties with their equipment during evaluation, while [redacted] was) told not to correct the difficulties that developed with [redacted] equipment until testing was completed." No-both [redacted] were advised of the ground rules with respect to corrections at the start of the contracts. [redacted] was, in fact, invited in during evaluation to make corrections. Neither company made any corrections that did not actually stop evaluation.

c. "If price was a major factor, why were no negotiations held with the [redacted] concerning the price of its equipment?" Price was one of the factors. The most important factors were technical-particularly with the liquid cooled light source.

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SECRET

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[redacted] light sources have had a poor history with respect to leaks and coloring of the mineral oil cooling medium.

d. "[redacted] has) asked by telephone on more than occasion for a copy of the final production specifications for the [redacted] equipment and the Government has refused to supply it." No. These calls were apparently directed to the technical monitor. [redacted] on one occasion, asked how the production specs for the competing tables were formulated and how they differed. He was told that the terminology of the basic documents was exactly the same. Some specific details had been tailored to fit the evaluated performance of the prototypes. I seem to recall another similar conversation. If the context of these conversations directed to the technical monitor constituted a request for the final production specs of the [redacted] equipment and refusal by the Government, I completely missed the intent of the remarks by Mr.

[redacted] To my recollection, the first specific request for a copy of technical requirements occurred during the meeting of 9 July. Even then, I was under the impression [redacted] wanted to review the requirement for his own table so as to make a judgement as to where the [redacted] table had fallen down.

e. Of course, from the text of the [redacted] letter to Senator Byrd, it would appear that the [redacted] [redacted] had access to the same leaked information that is complained about with respect to [redacted]

[redacted]
Project Monitor

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